Discussion

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Dr. Stevenson, members of the panel, ladies and gentlemen:

Before I make any comments on the Report of the Technical Committee on Broadcast Ratings, I would like to congratulate everyone connected with it. I think it was a wonderful job.

A friend of mine named Larry Deckinger was chairman of another committee that was supposed to do something about radio and television ratings. I'd like to borrow a remark Larry made in prefacing a progress report on the work of that Committee. The remark seems especially appropriate at the Christmas season. Larry stood up, looked around and then said, "When the good Lord wanted to save the world, He sent His only begotten Son. He did not send a committee."

Several of us on this panel worked on the committee that Larry headed -- it was called the Radio-Television Ratings Review Committee of the Advertising Research Foundation. It strikes me that the ASA Committee whose work we are here to discuss today had three advantages over the ARF Committee. First, I think that they were helped to some extent by having the awesome power of the House Interstate and Foreign Commerce Committee behind them. The other two advantages, however, were probably more important. Bill Madow's Committee had only three members; ours had nineteen. According to Parkinson's Law those are odds of better than six to one in favor of the smaller ASA group. And last but not least, the ASA Committee had to do its job, or felt that it had to, in a year; the ARF Committee has been in existence for almost ten years. We seem unwilling either to finish our work or to disband.

It is particularly in the light of my work on that Committee that I want to offer my heartfelt congratulations to Bill and his associates for the job they did. It was a wonderful job, and I hope that fact will be kept in mind as I make a few further comments about the report.

The most important criticism I have to make about the report is that I think it failed to make its point as clearly and definitely as it should have.

I base my feelings about what the major point of the report should have been on the letter to Morris Hansen from Oren Harris, Chairman of the House Interstate and Foreign Commerce Committee. That letter said, in part, that "It appears from the testimony that the choice of the kind of programs broadcast over networks during prime viewing hours has often been predicated upon public acceptance or preference as indicated by certain 'ratings' ascribed to programs by certain 'rating services'. As it is clear that the determination of any such ratings must be derived from statistical procedures involving sample surveys, our committee has requested you to arrange for an examination and evaluation of the statistical methods used by the principal rating services." You'll notice that Chairman Harris' letter talks only about network programs in prime viewing hours. The quotation from Chairman Harris' letter might be paraphrased as asking whether national ratings in prime nighttime hours can be accepted as reasonably reflecting the viewing habits of the public. I am somewhat a party at interest, of course, but I think that the answer to that question is, "Yes." The Legislative Oversight Committee of the House Interstate and Foreign Commerce Committee apparently agreed, since its press release on the report we are discussing today said, "To the extent that network programming policies are based on the ratings, it is unlikely that technical improvements in methods of estimating the ratings will lead to any support for a change in programming policies." And I think, that with extremely careful reading of the ASA Committee's report, anyone can come away with a similar impression. However, the closest I can come to finding a direct answer to the question in the report itself is on page sixteen where the Committee says, "The committee judges that the differences among the methods used by the various rating services are such, and the quality of the rating surveys is such, that when they agree the chances are very good that at least the policy decisions will reflect the listening and viewing behavior of the population of the United States."

I do not mean in any sense to depreciate the work that the Committee did with respect to other aspects of ratings and their uses. However, I would rather have seen the report devote less time to local ratings and to the various business decisions which hang at least partially on ratings, and to have devoted the additional space and time to an unequivocal answer to the basic question which unfortunately still plagues us to some extent. I would have been happier, in other words, if the next time my dinner partner said to me, as she almost invariably does, "You don't believe those television ratings, do you?", I could pull the ASA report out of my pocket and say, "Here. Please read this."

More seriously, I think the report would have been much better if it had concentrated more on the chief problem -- network ratings. Discussions of other matters -- local ratings, for example -- should not have been allowed to become confused with the major subject of the report.

But since the report did go into other matters, I would like to comment on one of them. Conclusion number eight of the report says that, "The type of measure called 'dollars per thousand (audience units)' is biased and has a large variance, especially if the rating and effective sample size are small." I've added those words 'audience units' to replace three asterisks in the report. The report goes on to point out that this is because such a measurement involves a constant (the program cost) in the numerator of the fraction and a random variable (the estimate of the number of audience units -- usually homes) in the denominator. The Committee then recommends the use of units per hundred dollars, instead of cost per thousand units. I agree fully with the Committee's recommendation. I would much rather we talked about a measurement which went up as it became better, as units per hundred dollars does in contrast to cost-per-thousand. Also, the work of research people in our industry would be simplified if we could make three divisions to get X women per hundred dollars, Y men per hundred dollars, and Z children per hundred dollars, and then two additions to get X plus Y adults per hundred dollars and X plus Y plus Z people per hundred dollars instead of having to make five divisions.

But I must object to the report's use of the word "biased" with respect to "cost per thousand." I am aware that technically the word is correctly used, in the sense that the expected value of the estimate of a program's cost per thousand differs from the actual value of the program's cost per thousand. However, I think I should point out that, to many of us laymen, the word "bias" is like a red flag. It says to us, in essence, "Stay away. Don't use this number or you are likely to make an incorrect decision." Since the ASA report came out, I have been trying to construct an example, no matter how hypothetical, where use of a program's estimated cost per thousand units would lead me to a different course of action than would use of the same program's units per hundred dollars. I have not been able to find such an example. I doubt that one can be constructed. For this reason, I don't think that the word "biased" should have been used in this connection, since the ASA report was bound to fall into the hands of laymen and, indeed, was perhaps primarily intended for them.

I might make two other points in this connection. The first is that the "bias" - in the technical sense of the word now - is extremely small - at least for national programs. In such cases, cost per thousand estimates are based on audience estimates, which in turn are based on samples of more than a thousand homes. One would have to search hard to find a program for which the estimate of cost-per-thousand-homes has a relative bias of more than 1%. I suspect that it may be impossible to find a program for which it is more than 5%.

The second additional comment is that this "audience units per hundred dollars" conclusion and recommendation of the report assume that cost figures are fixed and are precisely known. Unfortunately, the cost figures used in cost per thousand estimates are more often than not estimates. And, even more unfortunately, they are frequently less accurate estimates than are our estimates of audience.

One further comment, if I may. The report suggests the formation of an Office of Methodological Research. I am not so sure. There are certainly many rating methodological questions which have not been answered to date. However, one might infer from the report that the only reason these haven't been answered is that there has been no organization to answer them -- or to see that they were answered. This, I think, would be an erroneous conclusion. I think that there are two chief reasons that most of these methodological questions have not been answered. First, in the present state of the art of research, some of them can't be answered. And second, and perhaps most important, many of the questions would cost a tremendous amount of money to answer. If I may refer again to the ARF Ratings Review Committee, that Committee suggested an extended program of research on ratings. The program would have cost a great deal. From the dim mists of time, a figure of more than a half a million dollars seems to occur to me. As I recall it, that figure stopped everyone when it was first mentioned, and I have no reason to think that the reaction would be much different today.

In closing, may I once again congratulate Bill and his associates for the fine job they did.

Thank you.